



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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COMMISSIONER OF ADMINISTRATION

January 4, 2002

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2002-37

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: New Federal Tax Rates for Calendar Year 2002

Effective January 1, 2002, the new Federal Tables for income tax withholding and advance earned income credit payments will be used in calculating tax deductions. A message will appear on the January 11, 2002 check stubs and earnings statements advising employees that **net pay may change due to the new tax rates for 2002.**

The withholding allowance amount for a biweekly payroll period has increased to **\$115.38** for 2002. The Social Security wage base for 2002 has increased to **\$84,900**. The maximum Social Security Tax withheld from each employee and matched by the employer has increased to **\$5,263.80**. As usual, there is no wage base limit for Medicare tax. The tax rate remains at 6.2% for Social Security and 1.45% for Medicare tax for 2002.

IRS Publication 15, Circular E, Employer's Tax Guide, revised for 2002, has been released electronically. Agencies may not receive a hard copy in the mail due to all state agencies being under one tax ID. The entire publication is available on the IRS website (<http://www.irs.gov/pub/irs-pdf/p15.pdf>).

Direct all questions to a member of the OSUP Wage and Tax Administration Unit:

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